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Governor Gavin C. Newsom

INITIAL STATEMENT OF REASONS

HEARING DATE(S): December 22, 2020

WebEx/Teleconference

SUBJECT MATTER OF THE PROPOSED

REGULATIONS:

Nepotism, Personal Relationships, and Anti-

Nepotism.

SECTIONS AFFECTED: Title 2, Chapter 1, California Code of

Regulations, Adopt Sections 83.5, 83.6, and

87

In this rulemaking action, the State Personnel Board (Board) proposes to adopt sections 83.5, 83.6, and 87 of Title 2, Chapter 1 of the California Code of Regulations.

PURPOSE, NECESSITY, RATIONALE, AND BENEFITS OF REGULATORY ACTION:

Background:

There are no existing civil service statutes or regulations that expressly prohibit nepotism; however, Article VII of the California State Constitution and Board rules provide that all civil service appointments shall be made according to a merit based selection process. (Cal. Code Regs., tit. 2, § 86.)

Discussion of Each Adoption:

The purpose of this regulatory action is to expressly require appointing powers to establish an anti-nepotism policy that includes specified criteria.

Adopt Section 83.5. Nepotism

The Board's regulations do not include a definition for nepotism. The purpose of section 83.5 is to define "nepotism" as an employee's use of influence or power to hire or assign an applicant or employee because of a personal relationship.

Adopt Section 83.6. Personal Relationship

The Board's regulations do not include a definition for personal relationships. The purpose of Section 83.6 is to define "personal relationship" as an association by blood, adoption, marriage, and/or cohabitation.

Section 87. Anti-Nepotism

The purpose of Section 87 is to outline the components of an anti-nepotism policy in which appointing powers must hire and assign all employees on the basis of merit and fitness in accordance with civil service statutes, rules, and regulations. The section also explains how nepotism is prohibited in the state workplace because it is antithetical to California's merit based civil service system.

ECONOMIC IMPACT ASESSMENT:

The proposed regulations set standards only related to the Board's appeal procedures. Therefore, the adoption of these regulations will not:

- 1. Create or eliminate jobs within California.
- 2. Create new businesses or eliminate existing businesses within California.
- 3. Affect the expansion of businesses currently doing business within California.
- 4. Affect worker safety or the state's environment.

The adoption of these regulations, however, will have a positive impact on the general health and welfare of California residents in that the benefits of this regulatory action create a fair, equitable, and consistent process for the civil service hiring process.

TECHNICAL, THEORETICAL AND/OR EMPIRICAL STUDIES, REPORTS OR DOCUMENTS:

None.

ANTICIPATED BENEFITS OF THE REGULATORY ACTION:

The anticipated benefits of this regulatory action include: (1) having a fair and competitive hiring process within state service, and (2) ensuring that appointing powers establish and administer anti-nepotism policies and procedures to safeguard the state's merit-based civil service system.

SPECIFIC TECHNOLOGIES OR EQUIPMENT:

This regulation does not mandate the use of specific technologies or equipment.

<u>EFFORTS TO AVOID CONFLICT WITH AND DUPLICATION OF FEDERAL</u> REGULATIONS:

Not applicable. The Board is not a department, board, or commission within the Environmental Protection Agency, the Resources Agency, or the Office of the State Fire Marshall.

SIGNIFICANT ECONOMIC IMPACT ON BUSINESS:

The proposed regulations set a standard only related to anti-nepotism standards. Accordingly, it has been determined that the adoption of the proposed regulations would not have a significant, statewide adverse economic impact affecting California businesses, including the ability of California businesses to compete with businesses in other states.

CONSIDERATION OF ALTERNATIVES

The Board has initially determined that no reasonable alternatives it has considered or that have been otherwise identified and brought to the attention of the Board would be more effective in carrying out the purposes for which the instant action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.